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C O N F I D E N T I A L SECTION 01 OF 02 MANAGUA 000776

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TAGS: [KDEM](#) [NU](#) [PGOV](#) [PINR](#) [PREL](#) [SNAR](#)

SUBJECT: MARTINEZ CUENCA: GIVE THE ORTEGA GOVERNMENT A BIT  
MORE TIME (C-AL7-00063)

REF: A. SECSTATE 32361

[1](#)B. MANAGUA 0745

[1](#)C. MANAGUA 0726

[1](#)D. MANAGUA 0242

[1](#)E. 2006 MANAGUA 2077 AND PREVIOUS

Classified By: Ambassador Paul A. Trivelli. Reasons 1.4 (B,D).

[1](#)1. (C) Summary: Sandinista-dissident Alejandro Martinez Cuenca believes it is still too soon to assess the performance of the Ortega administration, but he is certain that Ortega's prime goal is to remain in power indefinitely while he leaves First Lady Rosario to run the government. He is concerned that businesses are not restocking their inventories and consumers are limiting their spending. Martinez Cuenca is skeptical that Chavez will deliver on all of his promises to President Ortega, but worries that Chavez' influence over Ortega could eventually strain vital aspects of Nicaragua's relationship with the United States. He suggests that CAFTA, the MCA, mil-mil relations, and police cooperation in combating crime are the four pillars of the Nicaraguan-U.S. relationship that bear nurturing and monitoring. End Summary.

Ortega Government: Give it Another Month

[1](#)2. (C) In his conversation with PolCouns and TDY analysts on March 21, Sandinista dissident Alejandro Martinez Cuenca remarked that it is too early to assess the performance of the Ortega administration and that most Nicaraguans are still willing to give Ortega the benefit of the doubt for another month. According to Martinez Cuenca (Refs. D and E), some of the government's actions thus far are encouraging, including its emphasis on health and education -- even though it remains to be seen just how much will actually be accomplished.

[1](#)3. (C) Martinez Cuenca finds other trends disconcerting: Ortega's permitting "Mrs. Ortega" to run the government and the messy blur between party and state, as evidenced by the government's use of party headquarters for its presidential offices. He added that the regime's hermetic style is such that even ministers must fight for access to Rosario and Ortega. A vexed minister recently told him that after numerous failed attempts to reach Mrs. Ortega by phone to arrange a meeting with the President, he appeared at her doorstep. The minister was ordered to leave the building and use his cell phone to call the First Lady.

## Keep on Eye on Business and Consumer Confidence

14. (C) An economist, Martinez Cuenca, believes that both consumers and the private sector are maintaining a "wait and see" posture vis-a-vis the Ortega government. He noted, however, two "alarming seeds" that could portend choppy economic waters ahead: an apparent decline in consumer spending and indications that businesses are not restocking their inventories -- preferring instead to deposit their profits in banks.

## And Watch out for U.S. Interests

15. (C) Martinez Cuenca also frets that Venezuelan President Hugo Chavez' influence over Ortega will test and eventually strain vital aspects of Nicaragua's relationship with the United States. Praising our policy not to be baited by Chavez' efforts to drive a wedge between the U.S. and Nicaragua, he listed CAFTA, the MCA, mil-mil relations, and police cooperation in combating crime as the four pillars of the Nicaraguan-U.S. relationship that bear particular nurturing and monitoring. If the Nicaraguan government continues to cooperate in these four areas, the bilateral relationship will maintain reasonable equilibrium, opined Martinez Cuenca. Nicaragua's Ambassador in Washington, Arturo Cruz, could serve as a useful ally in this regard, he said.

## The Master of Crossword Puzzles

16. (C) Martinez Cuenca characterized Ortega as a changed man, perhaps due in part to health problems and medications, but certainly no longer the statesman of the 1980s. Rather, Ortega is exclusively obsessed with remaining in power and leaves Mrs. Ortega to run the government so he can dedicate his energies to scheming against his internal and external rivals. Martinez Cuenca likened Ortega to a master of crossword puzzles, endlessly recreating and completing a mono-thematic, power-based puzzle.

17. (C) Regarding the ongoing debate over who exactly lies within Ortega government's "inner circle," Martinez Cuenca was unequivocal: the President and Mrs. Ortega. He asserted that while other Sandinista militants exercise varying degrees of influence in the government, the two Ortegas are the only two who really count. For example, Bayardo Arce, a pragmatist who harbors presidential ambitions and serves as Ortega's senior economic advisor, is out of favor with the First Lady, so he has lost his influence. Indeed, the lack of access to the FSLN's two-person inner circle has created turmoil in the party, asserted Martinez Cuenca.

18. (C) Referring to a meeting in January when he had predicted that President Ortega would not release Liberal Constitutional Party caudillo/convicted money launderer Arnoldo Aleman any time soon because he could still exploit him, Martinez Cuenca remarked that Ortega's recent decision (Ref. B) to accord Aleman unlimited movement throughout the country was likely driven by his keen interest in keeping the liberals divided. However, Ortega still holds the power to return Aleman to prison if it suits his interests, he argued.

## Media Coverage Favors Pact, Caudillismo, Hinders Opposition

19. (C) Martinez Cuenca criticized the media's inclination to spotlight the activities of caudillos Ortega and Aleman to the detriment of opposition leaders like Eduardo Montealegre -- even media that supposedly opposes the Ortega-Aleman pact and questions Ortega's intentions. He suggested that the opposition must gain more media coverage if it desires to increase its influence over public opinion.

## Rosario's Achilles Heel

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¶10. (C) Although Martinez Cuenca acknowledged that the First Lady is capable, intelligent, and organized, he ventured that her superstition handicaps her ability to effectively run the government. He explained that despite government assertions that its decision not to occupy the Taiwan-donated presidential offices was to save costs, "everyone knows" that the First Lady's fears that the building is "haunted with bad spirits" drove the decision. (Note: Aleman lost a son and two siblings during his tenure in the building, and Bolanos lost his brother and a son; his other son Javier just died of cancer last week.)

Who's Behind the Wheel?  
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¶11. (C) Martinez Cuenca believes it is no coincidence that Ortega ratchets up his anti-U.S. rhetoric surrounding his meetings with Chavez (Ref. C). Notwithstanding the Ortega-Chavez camaraderie, in part driven by shared ideologies, in part by Ortega's reliance on Venezuelan aid, Martinez Cuenca suspects that Ortega is uncomfortable with playing second fiddle to Chavez. He termed Chavez's piloting of Ortega's car during his latest visit to Managua a serious symbolic affront to the Nicaraguan leader's pride and authority because Ortega would never willingly permit anyone to take the wheel. (Note: Newspapers featured a photo of Chavez behind the wheel of Ortega's Mercedes SUV with Ortega seated in the front passenger seat. The incident also caught the eye of one of Nicaragua's political cartoonists who interpreted it to demonstrate Chavez's domination over the Nicaraguan president.)

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